

State of Vermont
Department of Liquor Control
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Michael J. Hogan, Commissioner

Greetings –

There are training requirements for solicitors and manufacturers who wish to conduct business in the State of Vermont. Vermont Liquor Control Board regulations spell out the requirements in the Education Regulation section.

Education Regulation #4: Solicitors, manufacturers, and fourth class liquor licensees must be properly trained upon licensure and retrained within the following two years. This training requirement may be satisfied by completion of materials provided for this purpose by the Department of Liquor Control Education Division. Proof of this training will be documented on forms provided by the Department and retained by the license holder.

The rules require the completion of a training program that is approved by the Department. There are currently only two formats for this training. One is the classroom program instructed by the Department's Education Division. Those are held at no cost to the attendee on an "as needed" basis. You may wish to contact our division to see if one of these classes has been scheduled.

The only other approved training program is by completing the training yourself with information and material we provide. That material follows this paragraph. You complete the training by reading and studying this information and filling out the certificate at the end. That certificate is to be placed in your files at your place of business and made available upon request.

If you have any questions, please contact our office.



Training Program for Manufacturers and Solicitors

INTRODUCTION

The Vermont Department of Liquor Control (DLC) is a department whose main job is to enforce alcohol and tobacco laws in Vermont. The Liquor Control Board consists of three persons who are appointed by the Governor.

The Liquor Control Board makes rules regarding the sale of alcohol and tobacco. The Board also enforces laws and rules regarding the selling, and use of alcohol and tobacco.

One of the branches of the Vermont Department of Liquor Control is the Education, Licensing and Enforcement Division; which consists of a Chief/Director, Field Investigators, Education Investigators, an Education Specialist, and office support staff. This division enforces the laws and regulations that cover selling, serving, giving, and using alcohol and tobacco products in the State of Vermont. This includes investigating complaints, making on-site inspections, doing compliance checks of tobacco and alcohol retailers, and providing education programs for schools, stores, police officers, and others.

In Vermont, Liquor Board Rules are almost like state laws and are commonly referred to as regulations. A violation of a regulation could result in a fine, suspension, or revocation of the liquor license.

People who sell alcohol products need to know what the alcohol laws and regulations are. Alcohol products include all malt beverages (known as beer, porter, ale and stout, containing not less than one percent nor more than eight percent alcohol by volume), vinous beverages (all fermented beverages of any name, made from fruits or other agricultural products, containing not more than sixteen percent alcohol by volume), and spirituous liquors (beverages containing more than one percent of alcohol obtained by distillation, and vinous beverages containing more than sixteen percent alcohol) If you break Vermont laws or regulations, the Liquor Board could suspend or revoke your license or permit if you are found guilty in a hearing, also, if you break Vermont laws or regulations, you may be charged in criminal court and could face a penalty.

The Purpose of This Training Guide

The Department of Liquor Control is responsible for enforcing alcohol and tobacco laws and regulations in the State of Vermont. In order to make sure everyone knows the laws, the Department of Liquor Control provides licensees and permit holders with this Training Guide so all employees can be trained.

The Department encourages those people who have licenses or permits to properly train their employees so that people will sell alcohol responsibly.

The Liquor Control Board and the Vermont Department of Liquor Control think that education is important, especially for licensees and permit holders, and that is why the law requires training.

Responsible people need to make sure there are no violations of regulations or laws and if there are problems they must correct them quickly.

The Vermont Department of Liquor Control also offers seminars conducted by a member of the department. Anyone is welcome to attend these classes. To find out when there is one in your area please go to our web page at <http://liquorcontrol.vermont.gov/education/seminars.html>.

There are more liquor laws and regulations than what are printed here, but this material summarizes the most often asked and most often violated sections of law and regulation.

Education Regulations

The purpose of educational programs is to provide training to the alcohol and tobacco seller and server about Vermont's laws and regulations. People who understand these laws will have fewer problems while working. We feel that education is important and the legislature agreed when they passed a law requiring training.

Education Regulation #4 requires that:

- Every manufacturer and every solicitor must complete training upon licensure and every two years thereafter.

If you are not trained you could be subjected to certain penalties.

Credit Regulations

No malt or vinous beverage or spirituous liquor shall be purchased on credit by any licensee. Upon termination of a distributorship, or unsaleability of a product or for cooperage or other containers, the payment for merchandise returned by a wholesale dealer to a certificate of approval holder must be paid within ten business days after receipt of the merchandise by the certificate of approval holder.

Advertising Regulations

Advertising regulation #4: Certificate of Approval holders & wholesalers can distribute bottle openers; can openers & corkscrews to retail dealersfor the convenience of the public...not for advertising.

Advertising regulation #5: Consumer advertising specialties, such as ash trays, bottles or can openers, cork screws, shopping bags, matches, printed receipts, pamphlets, cards, leaflets, recipe booklets, blotters, post cards, and pencils, which bear advertising matter may be furnished, given or sold to a retailer for unconditional distribution by the retailer to the general public. The retailer may not be paid or credited in any manner, directly or indirectly, for this distribution service.

Advertising regulation #6: Any malt or vinous beverage point of sale advertising shall be submitted to the Liquor Control Board for approval prior to its use by manufacturers, holders of certificate of approval, wholesale dealers, or retailers in Vermont.

Advertising regulation #7:

Definitions for advertising, display or distribution service as used in the advertising regulations are:

- a) Manufacturers, holders of certificate of approval or wholesale dealers are prohibited from influencing or controlling the purchases of a retailer by paying or crediting the retailer for any advertising, display or distribution service, whether or not the advertising, display or distribution service received is commensurate with the amount paid by the retailer.
- b) An arrangement where manufacturer, holder of a certificate of approval, or wholesale dealer participates with a retailer in paying for an advertisement placed by the retailer constitutes paying the retailer for advertising.
- c) Manufacturer, certificate of approval holder or wholesale dealer payments to retailers as compensation for setting up product or other displays constitutes paying the retailer for rendering a display service.
- d) A promotion whereby a manufacturer, holder of a certificate of approval, or wholesale dealer rents display space at a retail establishment constitutes paying the retailer for rendering a display service.

Wholesale Dealer, Certificate of Approval Holder, and Vermont Manufacturer Regulations

Wholesale regulation #1: Employees of a wholesaler or a certificate of approval holder may not be employed directly or indirectly on a paid or voluntary basis by a first class licensee.

Wholesale regulation #1: An employee of a wholesale dealer of beer and wine may work for a second class licensee in a store that sells beer and wine for off premise consumption, provided the employee has no management role and does not exercise any control over the business or any business decisions of the second class licensee, and that neither of these employment relationships has the effect of excluding another wholesale dealer or any brand of beverage handled by another wholesale dealer. This is not allowed at a premise holding a first class license.

Wholesaler regulation #1: Any full-time employee ...may at a retail establishment, stock, rotate, and price products which they sell...provided products purchased from other wholesalers are not altered or disturbed.

Wholesaler regulation #3: Wholesalers must purchase only from approved Certificate of Approval holders and licensed manufacturers.

Wholesaler regulation #6: No beer or wine can be returned from a retailer to a wholesale dealer unless they are of substandard packaging or quality, misordered, out of code, out of business, or closing for the season... Permission from the Liquor Control Board is required except for beer in barrels. Authorization from the Liquor Control Board is not required when a wholesale dealer wishes to exchange product for another with the same SKU and move product going out of code to another licensed premises where it will sell.

Wholesaler regulation #8: Invoices must have serial numbers, electronic or manual. One copy must be left at the warehouse and one copy left with the retailer. That invoice must show the name or initials of the person taking the order and be made out in the trade name of the licensee.

Wholesaler regulation #9: Tapping accessories may be sold to a retailer. The price must be not less than the cost paid by the wholesaler for the items. Invoices covering these sales must be kept for 2 years.

Wholesaler regulation #9: In an existing draft system, servicing & cleaning of all equipment from the barrel to the glass and replacing of rods, taps, hoses & washers is approved.

Wholesaler regulation #11: Orders can only be taken from first or second class licensees. Orders must be delivered to a licensee's place of business. Orders may be picked up at the warehouse.

General Regulations

General regulation #31a & 31b: Minimum deposits: \$10 on a keg, \$30 on a picnic tap, picnic pump, or picnic box with a non-mechanically driven cooling system not in regular use by licensee.

General regulation #39: Beer tap signs must be visible. They must be on the tap or device and must show the brand being dispensed.

General regulation #42: No containers are allowed to catch drippings. There must be a drain.

General regulation #50: A stock of alcohol may not be carried on board any vehicle for the purpose of filling orders as they are made.

State Laws

The state statutes regarding manufacturers or rectifiers, as well as tasting events, have recently been modified. The law now states:

Definitions:

(15) Manufacture's or rectifier's license: a license granted by the liquor control board that permits the holder to manufacture or rectify, spirituous liquors for export and sale to the liquor control board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages to receive from another manufacturer licensed in or outside this state bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The liquor control board may grant to a licensed manufacturer or rectifier a first class restaurant or cabaret license or first and third class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The liquor control board may grant to a licensed manufacturer or a rectifier of malt beverages a second class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous and malt beverages, provided the licensee given the department written notice of the event, including details required by the department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or liquor control board.

(27) "Special events permit": a permit granted by the liquor control board permitting a person holding a manufacturer's or rectifier's license to sell by the glass or by unopened bottle spirits, malt or vinous beverages manufactured or rectified by the license holder at an event open to the public, that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder, by the glass nor more than two ounces per product and eight ounces total of malt or vinous beverages and no more than one ounce in total of spirits to each individual. No more than 36 special events' permits may be issued to a holder of a manufacturer's or rectifier's license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events' permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the department of liquor control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer's or rectifier's 36 special-event-permit limitation.

(28) "Fourth class license" or "farmers' market license": the license granted by the liquor control board permitting a manufacturer or rectifier of malt or vinous beverages or spirits to sell by the unopened container and distribute, by the glass with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth class license location, a manufacturer or rectifier of vinous beverages may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages produced by no more than three additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages may sell its product to no more than three additional manufacturers or rectifiers. A

fourth class licensee may distribute by the glass no more than two ounces of malt or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits with a total of once ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A farmers' market license is valid for all dates of operation for a specific farmers' market location.

Title 7 section 67 of the Vermont laws: Wine and malt beverage tastings; permit; penalties

(a) Upon submission to the department of a written application in a form required by the department accompanied by the permit fee as required by subdivision 231(15) of this title at least five days prior to the date of the alcoholic beverage tasting event and the applicant is determined to be in good standing, the department of liquor control may grant a permit to conduct a wine or malt beverage tasting event to:

(1) A second class licensee. The permit authorizes the employees of the permit holder to dispense to retail customers of legal age on the licensee's premises vinous or malt beverages by the glass not to exceed two ounces of each vinous or malt beverage with a total of eight ounces of vinous or malt beverages. Vinous or malt beverages for the tasting shall be from the inventory of the licensee or purchased from a wholesale dealer. Pursuant to this permit, a second class licensee may conduct no more than 48 tastings a year. In addition to the 48 tastings, a second class licensee may conduct no more than five beverage tastings per week provided the tastings are conducted by the licensee on the licensee's premises and provided the license has acquired a permit for each tasting.

(2) A licensed manufacturer or rectifier of vinous or malt beverages. The permit authorizes the permit holder to dispense to retail customers of legal age for consumption on the premises of a second class licensee beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of vinous or malt beverages. A manufacturer or rectifier may conduct no more than 48 tastings per year.

(b) A wine or beer tasting event held pursuant to subdivision (a)(1) and (2) of this section, not including an alcohol beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) Continue for no more than six hours, with no more than six beverages to be offered at a single event, and no more than two ounces of any single beverage and no more than a total of eight ounces of various vinous or malt beverages to be dispensed to a customer. No more than eight customers may be served at one time.

(2) Be conducted totally within an area that is clearly cordoned off by barriers that extend no further than 10 feet from the point of service, and a sign that clearly states that no one under the age of 21 may participate in the tasting shall be placed in a visible location at the entrance to the tasting area.

(c) The holder of a permit issued under this section shall keep an accurate accounting of the beverages consumed at a tasting event and shall be responsible for complying with all applicable laws under this title.

(d) Promotional alcoholic beverage tasting:

(1) At the request of a holder of a first class or second class license, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first or second class

licensee's management and staff, provided they are of legal drinking age and are off duty for the rest of the day, two ounces per person of vinous or malt beverages for the purpose of promoting the beverage. At the request of a holder of a third class license, a manufacturer or rectifier of spirits may distribute without charge to the third class licensee's management and staff, provided they are of legal drinking age and are off duty for the rest of the day, one-quarter ounce of each beverage and no more than a total of one ounce to each individual for the purpose of promoting the beverage. No permit is required under this subdivision, but written notice of the event shall be provided to the department of liquor control at least five days prior to the date of the tasting.

(2) A holder of a wholesale dealer's license may dispense vinous or malt beverages for promotional purposes at the wholesale dealer's premises without charge to invited employees of first, second, and third class licensees, provided the invited employees are of legal drinking age, and the wholesale dealer obtains a permit pursuant to subsection (a) of this section.

(3) At the request of a holder of a wholesale dealer's license, a first class licensee may dispense malt or vinous beverages for promotional purposes without charge to invited management and staff of first, second, or third class licensees, provided they are of legal drinking age. The event shall be held on the premises of the first class licensee. The first class licensee shall be responsible for complying with all applicable laws under this title. No permit is required under this subdivision, but the wholesale dealer shall provide written notice of the event to the department of liquor control at least 10 days prior to the date of the tasting.

(e) No individual who is under the age of 18 or who has not received training as required by the department may serve alcoholic beverages at an event under this section.

(f) The holder of a permit issued under this section that provides alcoholic beverages to an underage individual or permits an individual under the age of 18 to serve alcoholic beverages at a beverage tasting event under this section shall be fined not less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years, or both.

Direct Shipment

There is a new Supreme Court ruling pertaining to direct shipment of wines. Individuals may now purchase up to 12 cases of wine without needing a permit. However, the out-of-state manufacturer, and only those located in the United States, must obtain permits and notify Vermont Liquor Control of those sales.

Retailers can also direct ship up to 2,000 gallons per year, on invoice. A maximum of 40 gallons per winery per month is permitted.

These new laws pertain only to wine and not to beer or spirits.

As the student can see, the law is rather detailed and specific:

§ 66. Vinous beverage shipping license; in state; out of state; prohibitions; penalties

(a) A manufacturer or rectifier of vinous beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the department of liquor control an application in a form required by the department accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee as required by subdivision 231(7)(A) of this title. This

consumer shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(A) of this title accompanied by a copy of the licensee's current Vermont manufacturer's license.

(b) A manufacturer or rectifier of vinous beverages licensed in another state that operates a winery in the United States and holds valid state and federal permits and licenses may be granted an out-of-state consumer shipping license by filing with the department of liquor control an application in a form required by the department accompanied by copies of the applicant's current out-of-state manufacturer's license and the fee as required by subdivision 231(7)(B) of this title. This consumer shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(B) of this title accompanied by the licensee's current out-of-state manufacturer's license. For the purposes of this subsection and subsection (c) of this section, "out-of-state" means any state other than Vermont, any territory or possession of the United States, and does not include a foreign country.

(c) A manufacturer or rectifier of vinous beverages that is licensed in-state or out-of-state and holds valid state and federal permits and operates a winery in the United States may apply for a retail shipping license by filing with the department of liquor control an application in a form required by the department accompanied by a copy of their in-state or out of state license and the fee as required by subdivision 231(7)(C) of this title. The retail shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(C) of this title accompanied by the licensee's current in-state or out-of-state manufacturer's license. This license permits the holder, which includes the holder's affiliates, franchises, and subsidiaries, to sell up to 2,000 gallons of vinous beverages a year directly to first or second class licensees and deliver the beverages by common carrier or the manufacturer's or rectifier's own vehicles, provided that the beverages are sold on invoice, and no more than 40 gallons per month are sold to any single first or second class licensee. The retail shipping license holder shall provide to the department documentation of the annual and monthly number of gallons sold.

(d) Pursuant to a consumer shipping license granted under subsection (a) or (b) of this section, the licensee may ship vinous beverages produced by the licensee:

(1) Only to private residents for personal use and not for resale.

(2) No more than 12 cases containing no more than 29 gallons of vinous beverages to any one Vermont resident in any calendar year.

(3) Only by common carrier certified by the department. The common carrier shall comply with all the following:

(A) Deliver vinous beverages pursuant to an invoice that includes the name of the licensee and the name and address of the purchaser.

(B) On delivery, require a valid form of photographic identification from a recipient who appears to be under the age of 30.

(C) Require the recipient to sign an electronic or paper form or other acknowledgement of receipt.

(e) A holder of any shipping license granted pursuant to this section shall:

(1) Ensure that all containers of alcoholic beverages shipped under this section are clearly labeled: "contains alcohol; signature of individual age 21 or older required for delivery."

(2) Not ship to any address in a municipality that the department identified as having voted to be "dry."

(3) Retain a copy of each record of sale for a minimum of five years from the date of shipping.

(4) Report at least twice a year to the department of liquor control in a manner and form required by the department all the following information:

(A) The total amount of vinous beverages shipped into or within the state for the preceding six months.

(B) The names and addresses of the purchasers to whom the vinous beverages were shipped.

(C) The date purchased, if appropriate, the name of the common carrier used to make each delivery, and the quantity and value of each shipment.

(5) Pay directly to the commissioner of taxes the amount of tax on the vinous beverages shipped under this section pursuant to subsection 421(a) of this title, and comply with the provisions of chapter 233 of Title 32, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this state shall be deemed to constitute a sale in this state at the place of delivery and shall be subject to all appropriate taxes levied by the state of Vermont.

(6) Permit the state treasurer, the department of liquor control, and the department of taxes, separately or jointly, upon request, to perform an audit of its records.

(7) If an out-of-state license holder, be deemed to have consented to the jurisdiction of the department of liquor control or any other state agency and the Vermont state courts concerning enforcement of this or other applicable laws and regulations.

(8) Not have any direct or indirect financial interest in a Vermont wholesale dealer or retail dealer, including a first, second, or third class license.

(9) Comply with all liquor control board laws and regulations.

(f) A common carrier shall not deliver vinous beverages until it has complied with the training provisions in subsections 239(a) and (b) of this title and been certified by the department of liquor control. No employee of a certified common carrier may deliver vinous beverages until that employee completes the training provisions in subsection 239(c) of this title. A common carrier shall deliver only vinous beverages that have been shipped by the holder of a license issued under this section or a vinous beverage storage license issued under section 68 of this title.

(g) The department of liquor control and the department of taxes may adopt rules and forms necessary to implement this section.

(h) Direct shipments of vinous beverages are prohibited if the shipment is not specifically authorized and in compliance with this section. Any person who knowingly makes, participates in, imports, or receives a direct shipment of vinous beverages from a person who is not licensed or certified as required by this section may be fined not more than \$1,000.00 or imprisoned not more than one year, or both.

(i) A licensee under this section or a common carrier that ships vinous beverages to an individual under 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or both.

§ 68. Vinous beverage storage and shipping license

The liquor control board may grant to a person who operates a climate-controlled storage facility in which vinous beverages owned by another person are stored for a fee a license that allows the licensee to store and transport vinous beverages on which all applicable taxes already have been paid. A vinous beverage storage facility may also accept shipments from any licensed in-state or out-of-state vinous manufacturer that has an in-state or out-of-state consumer shipping license pursuant to section 66 of this title. Vinous beverages stored may be transported only for shipment to the owner of the beverages or to another licensed vinous beverage storage facility, and the beverages shall be shipped only by common carrier in compliance with subsection 66(f) of this title. The licensee shall pay a fee pursuant to subdivision 231(a)(20) of this title. A license under this section shall be issued pursuant to rules adopted by the board. A person granted a license pursuant to this section may not sell or resell any vinous beverages stored at the storage facility.

Federal Regulations

There are many other laws and regulations covered under federal statute and the federal agency named the Alcohol and Tobacco Tax and Trade Bureau.

They can be reached at: <http://www.ttb.gov/foia/err.shtml#regulations>.

Please Note

There are other various regulations that you need to know about. This book does not list all the laws and regulations, rather it is meant to be a general guide in the areas that seem to present the greatest problems for sellers and permit holders. If you have further questions please contact the Vermont Department of Liquor Control at (802) 828-2339 or by email from the website at: <http://liquorcontrol.vermont.gov>. You can also look up Title 7 in the Vermont Statutes. The Statutes are available online at the Vermont Department of Liquor Control website at: <http://liquorcontrol.vermont.gov/enforcement/law.html>. They are also available at most public libraries and town clerks offices.

VERMONT DEPARTMENT OF LIQUOR CONTROL

MANDATORY EDUCATION TRAINING

Solicitors and Manufacturers

Date of Training: _____

Corporation/Partnership/Individual: _____

Business Name: _____

Address: _____

Town/City: _____

State: _____

I, _____, certify I read and understand the foregoing material, as per Liquor Control Board Education Regulation #4.

Name of Employee Trained (*please Print*)

Employee Signature